

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE:

Think Retail Solutions, LLC,

Debtor.

CHAPTER 7

Case No. 15-56153-BEM

ADVERSARY PROCEEDING NO.

17-05078-BEM

Robert Trauner, as Plaintiff for the Estate of Think
Retail Solutions, LLC Under Chapter 7 of the
Bankruptcy Code; and, as applicable, as Plaintiff for
the Estate of Tammy P. Simpson Under Chapter 7
of the Bankruptcy Code,

Plaintiff,

v.

Delta Air Lines, Inc.,

Defendant.

AFFIDAVIT OF PAULETTE HENDERSON

I, Paulette Henderson, hereby declare under penalty of perjury:

1. I am over eighteen years of age, and of sound mind. The statements made herein are based on my personal knowledge, and I am competent to testify to the statements set forth herein. I give this Affidavit in support of Delta Air Lines, Inc's Motion for Summary Judgment, filed concurrently herewith, and for all other purposes authorized under the Federal Rules of Civil Procedure.

2. The facts contained herein are true and correct based upon my personal knowledge and upon my review of documents, records, and data compilations made or received and kept in the regular course of the business activities of Delta Air Lines, Inc. ("Delta"). It was Delta's regular practice to make or receive such documents, records, and data compilations at the time of the act(s), event(s), or transaction(s) recorded therein, or within a reasonable time thereafter. I am familiar with Delta's practices regarding the making or receiving and maintaining of such documents, records, and data compilations.

3. I am currently employed by Delta as the General Manager of Revenue Protection. I am authorized to give this Affidavit on behalf of Delta.

4. I have been employed at Delta since 1987. During the time period 2011-2015, I was employed by Delta as the Manager of Revenue Protection.

5. As the General Manager of Revenue Protection, my duties at Delta primarily include the mitigation of credit card and debit card fraud for direct ticket sales, maintaining loyalty program integrity, and the mitigation of employee ticket abuse. These duties are consistent with my previous role as Manager of Revenue Protection.

6. I am a Certified Fraud Examiner, first obtaining certification from the Association of Certified Fraud Examiners in 2004, and having continuously maintained the certification thereafter.

7. I am familiar with Delta's policies and procedures regarding the detection and mitigation of fraud in connection with direct ticket sales, including without limitation tickets purchased through debit card and credit card transactions, loyalty programs, and employee ticketing.

8. In connection with my duties at Delta as General Manager of Revenue Protection, and at least during the time period 2011-2015 in connection with my previous role as Manager of Revenue Protection, I regularly attend airline industry conferences and review industry publications in order to remain informed on policies, procedures, and best practices utilized within the U.S.-based commercial airline industry pertaining to the detection and mitigation of fraud in connection with airline ticket sales and customer loyalty programs. As a result, I am knowledgeable regarding the policies, procedures, and best practices pertaining to fraud detection and mitigation utilized within the U.S.-based commercial airline industry, including those utilized during the time period 2011-2015.

9. Since 2010, I have regularly attended the annual spring conference held by the Merchant Risk Council, an independent, not-for-profit business association that provides resources and fosters collaboration among e-commerce risk professionals across various industries. Delta has been a platinum member of the Merchant Risk Council since 2010. At this conference, I have attended various fraud workshops, merchant issuer forums, and merchant focus groups pertaining to "card-not-present" (i.e., a payment card transaction where the cardholder does not physically present the card for a merchant's visual examination at the time of purchase) fraud.

10. I participate in meetings with the Airline Fraud Roundtable, a U.S.-based commercial airline group that meets quarterly to discuss credit card and debit card fraud in the airline industry, including without limitation current issues and fraud trends facing the airline industry. I have participated in the quarterly Airline Fraud Roundtable Group meetings continuously since 2010. Other members of the Airline Fraud Roundtable include Alaska Airlines, United Airlines, American Airlines, SouthWest Airlines, JetBlue, and Easy Jet.

11. I also participate in a monthly telephonic conference among U.S.-based commercial airlines, including without limitation American Airlines, United Airlines, SouthWest Airlines, and JetBlue, to discuss issues pertaining to fraud in connection with airline loyalty programs. I have continuously participated in these meetings since 2010.

12. In addition to the conferences noted above, I regularly review industry publications, white papers, and electronic email alerts pertaining to merchant credit and debit card fraud that are published and distributed by leading content experts, including without limitation the Merchant Risk Council and the Association of Certified Fraud Examiners. The same was true during the time period 2011-2015.

13. As part of my duties as General Manager of Revenue Protection, and previously as Manager of Revenue Protection during the time period 2011-2015, I regularly review and recommend changes, where appropriate, to Delta's policies and procedures relating to fraud detection and mitigation in light of industry trends and evolving best practices based upon my industry knowledge and experience.

14. Simultaneously with the sale of an airline ticket purchased through the use of a credit card or debit card, Delta transmits by live feed to Accertify all information collected by Delta in connection with a direct customer ticket sale (i.e., a sale not conducted through an independent third-party agent), including without limitation, the credit card or debit card payment information, passenger information, flight origination and destination locations, and IP address.

15. Accertify is a third-party vendor utilized by Delta, first beginning in 2010 and continuously thereafter, to review all of Delta's direct ticket sales for potential fraud.

16. Accertify is widely used in the U.S.-based commercial airline industry, and by merchants across many other industries, to review “card-not-present” transactions for potential fraud.

17. Accertify analyzes the credit card or debit card information provided by customers to detect potential fraudulent transactions through a software program called Interceptas. The Interceptas software uses proprietary algorithms not specific to Delta to score each transaction for potential fraud. Transactions scoring a certain level for fraud propensity are manually reviewed by Accertify to assess potential fraud.

18. Since 2010, Delta has participated in Accertify’s data sharing program through which Delta is able to benefit from transactions reviewed by Accertify across all industries for “negative data points” associated with fraudulent transactions. “Negative data points” are particular characteristics of a previous transaction that have been flagged or resolved as fraudulent and can include, for example, the cardholder’s name, IP address, email address, card number, and mailing address. Negative data points are maintained by Accertify for assessment against subsequent Delta transactions and will automatically result in a manual transaction review by Accertify if future transactions contain negative data points.

19. If Accertify resolves any ticket sale transaction as fraudulent, Accertify retains the information associated with the transaction resolved as fraudulent, including the specific negative data points, and notifies Delta accordingly.

20. Other U.S.-based commercial airlines generally utilize Accertify in the same manner as Delta to review direct ticket sales for potential fraud. The same was true during the time period 2011-2015.

21. In addition to its use of Accertify, Delta has implemented a number of policies and procedures to detect and deter potential fraud in credit card and debit card transactions. For example, since 2013 Delta has conducted an annual corporate product analysis across various business units to implement changes, where appropriate, in light of evolving fraud methods and chargeback patterns.

22. Delta's policies and procedures may vary from time to time as Delta evaluates new or changing risks and in light of evolving industry standards. Historically, indicators of credit card or debit card fraud have included, without limitation, IP address, date of ticket purchase relative to date of travel, and travel to certain non-U.S.-based destinations. These indicators of credit card or debit card fraud are generally consistent with those experienced by other U.S.-based commercial airlines, historically.

23. Delta's fraud mitigation policies and procedures, as well as those established at other U.S.-based commercial airlines, are not intended to detect instances where a company employee uses corporate funds in violation of corporate governing documents, employee policies, or applicable law.

24. A "Third-Party Payment," (i.e. where an airline ticket is purchased by an individual or entity other than the passenger completing the air travel) is common at Delta and other U.S.-based commercial airlines and generally is not an indicator of credit card or debit card fraud.

25. Delta has no knowledge of the purpose of the travel by passengers or those purchasing air travel. The same is true for other U.S.-based commercial airlines.

26. Delta does not inquire into the purpose of customer airline travel, including whether an airline ticket or related service purchased with a corporate credit card or debit card is being used for a business purpose, nor does Delta inquire into the financial condition of those individuals or

entities by, among other things, obtaining a credit report. The same is true for other U.S.-based commercial airlines.

27. Delta does not consider travel to and from destinations such as Las Vegas, Nevada, or Gulfport, Mississippi to be an indicator of credit card or debit card fraud, which is consistent with the practices of other U.S.-based commercial airlines.

28. Delta's practice to not inquire into the purpose of customer airline travel, including purchases made with a corporate credit card or debit card, or the financial condition of its customers is consistent with the practices of other U.S.-based commercial airlines given the commercial impracticability of any such requirement.

29. During the time period 2011-2015, Delta issued a number of airline tickets to Tammy P. Simpson ("Simpson") and airline passengers associated with Simpson, as more particularly shown on Exhibit A hereto (collectively, the "Delta Tickets" or, individually, a "Delta Ticket").

30. The Delta Tickets were purchased through the use of one or more credit cards or debit cards issued to Simpson and/or Think Retail Solutions, LLC ("Think Retail"), as shown on Exhibit A hereto and more particularly identified as follows: (1) a business debit card issued by SunTrust Bank to Think Retail and Simpson ending in 7312; (2) a personal debit card issued by SunTrust Bank to Simpson ending in 0732; (3) a credit card issued by American Express to Simpson ending in 2007; and (4) a credit card issued by Bank of America, N.A. to Simpson ending in 7886 (the foregoing credit cards and debit cards used to purchase the Delta Tickets, the "Debit and Credit Transactions").

31. The Delta Tickets, and the corresponding Debit and Credit Transactions, were processed by Delta in the ordinary course of its business through arm's-length transactions consistent with Delta's then-applicable policies and procedures.

32. Delta has at no time been notified by the respective card issuer or card processor that any of the Debit and Credit Transactions were unauthorized or otherwise disputed by the cardholder.

33. Accertify has at no time advised Delta that any of the Debit and Credit Transactions associated with the Delta Tickets were identified or resolved as fraudulent or contained any negative data points.

34. Consistent with its policies and procedures with respect to all ticket sales, applicable both now and at least during the time period 2011-2015, Delta did not inquire into: (i) the purpose for which the Delta Tickets were intended or ultimately used or (ii) the financial condition of the passengers associated with the Delta Tickets or the cardholders associated with the Debit and Credit Transactions.

35. At no point during the sale of the Delta Tickets, Delta's performance thereunder, or the processing of the Debit and Credit Transactions, did Delta know the financial condition of Simpson or Think Retail, or the purpose of Simpson's or her associates' travel.

36. The policies, procedures, and best practices implemented by Delta during the time period 2011-2015 to detect and deter potential fraud in credit card and debit card transactions, including without limitation (a) the use of Accertify, (b) allowing third-party payments, and (c) not inquiring into the purpose of customer travel or the financial condition of passengers or cardholders, were consistent with policies, procedures, and best practices implemented by other U.S.-based commercial airlines during the same time period.

37. Based on my knowledge and understanding of the policies, procedures, and best practices generally utilized by other U.S.-based commercial airlines from 2011-2015: (i) the Delta Tickets and Debit and Credit Transactions were processed consistent with the then-applicable policies, procedures, and best practices generally employed in the U.S.-based commercial airline industry, (ii) other U.S.-based commercial airlines would not have inquired into or learned (a) the purpose for which the Delta Tickets were purchased or for which they were ultimately used, (b) the financial condition of the passenger or cardholder purchasing the airline ticket (if different from the passenger), or (c) if a corporate debit card or credit card was used to purchase the airline ticket, whether the corresponding airline ticket was used for business purposes.

FURTHER AFFIANT SAYETH NOT.

[SIGNATURE ON THE FOLLOWING PAGE]

This 7 day of June 2018.

Paulette Henderson

Paulette Henderson
General Manager, Revenue Protection
Delta Air Lines, Inc.

Sworn to and subscribed
before me this 7th day of June 2018.

Jeanne M Brown

Notary Public

My Commission Expires:

Nov. 2, 2021

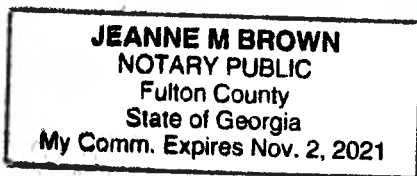


EXHIBIT A

[illegible]

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